



## CAPITAL BUDGET

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE  
STAFF: BRIAN WIKLE

## ISSUE BRIEF

**OVERVIEW**

The Capital Budget funds new construction, major remodeling, alterations, repairs, improvements, real estate, roofing, and paving projects. The Capital Budget's two largest areas are Capital Improvements and Capital Development; other areas include Property Acquisition and Land Banking.

**Capital Improvements**

A capital improvement is a project on an existing facility that costs less than \$3.5 million; a utility project that costs less than \$7.0 million subject to certain provisions; or new construction that costs less than \$500,000. Statute requires that the Legislature appropriate 1.1 percent of the replacement cost of existing state facilities and infrastructure to capital improvements before funding the design or construction of any new capital development projects. At least 80 percent of the state funds appropriated for capital improvements must be used for maintenance or repair of existing buildings or facilities unless the State Building Board (SBB) determines that a different allocation is in the best interest of the state, and no more than 20 percent of capital improvement funding may be used for aesthetic upgrades or additions to existing buildings (see [UCA 63A-5-104](#)).

The statutory capital improvement funding for FY 2018 is \$119,069,600 – an increase of \$1,244,500 over FY 2017 funding. Table 1 shows SBB's recommended allocations (rounded to the nearest \$100) of FY 2018 capital improvement funding to institutions of higher education and state agencies.

**Table 1: State Building Board's Recommended Capital Improvement Allocations for FY 2018**

Utah System of Higher Education (USHE)		State Agency		Other	
Dixie State University	2,476,400	Agriculture	137,800	Retrofit of State-owned Fuel Tanks	2,500,000
Salt Lake Community College	4,789,100	Alcoholic Beverage Control	742,600	Statewide Energy Metering	2,000,000
Snow College	2,431,100	Capitol Preservation Board	2,315,300	Statewide Programs	4,520,000
Southern Utah University	3,385,600	Corrections	3,594,100	<b>Other Total</b>	<b>9,020,000</b>
University of Utah	26,877,700	Courts	4,544,100		
Utah State University	12,565,000	DFCM	5,888,000		
Utah Valley University	4,245,000	Environmental Quality	-		
Weber State University	4,828,100	Fairpark	2,116,800		
<b>USHE Total</b>	<b>61,598,000</b>	Health	1,317,200		
		Heritage & Arts	1,022,400		
		Human Services	5,339,500		
		National Guard	4,459,400		
		Natural Resources	540,800		
		Office of Education	1,163,000		
		Parks & Recreation	2,328,000		
		Public Safety	969,700		
		Tax Commission	620,100		
		Transportation	1,594,200		
		Veteran Affairs	890,000		
		Wildlife Resources	2,010,300		
		Workforce Services	1,424,500		
		<b>State Agency Total</b>	<b>43,017,800</b>		
				<b>Grand Total</b>	<b>119,069,600</b>
Applied Technology College (ATC)					
Bridgerland ATC	1,100,000				
Davis ATC	1,013,600				
Dixie ATC	172,800				
Mountainland ATC	766,700				
Ogden/Weber ATC	1,125,000				
Southwest ATC	327,700				
Tooele ATC	-				
Uintah Basin ATC	928,000				
<b>ATC Total</b>	<b>5,433,800</b>				

### Capital Developments

Capital development means a remodeling, site, or utility project with a total cost of \$3,500,000 or more; a new facility with a construction cost of \$500,000 or more; or purchase of real property where an appropriation is requested to fund the purchase. Statute requires that the State Building Board, on behalf of all state agencies and institution, submit its capital development recommendations and priorities to the Legislature for approval and prioritization. SBB may approve a capital development project without the approval of the Legislature if the board determines that a requesting agency or institution has provided adequate assurance that state funds will not be used for construction, operation and maintenance, or future capital improvements of the facility; and that the use of the state property is appropriate and consistent with the master plan for the property and will not create an adverse impact on the state (see [UCA 63A-5-104](#)).

Table 2 shows SBB's prioritization of capital development projects (rounded to the nearest \$100) for FY 2018. It also shows the Board of Regent's prioritization for projects for institutions in the Utah System of Higher Education.

**Table 2: State Building Board's Prioritization of Capital Development Projects for FY 2018**

Agency / Institution	Project	Rank		Funding Request			State-funded O&M Request	Gross Sq Ft	Cost / Sq Ft
		SBB	USHE	State	Other	Total			
University of Utah	The Medical Education & Discovery (MED) / Rehabilitation Hospital (MED Complex)	1	1	50,000,000	242,000,000	292,000,000	473,400	500,000	584
Dixie State University	Human Performance Center	2	2	25,000,000	25,000,000	50,000,000	595,000	142,000	352
Weber State University	Social Science Building Renovation	3	3	29,940,000	5,000,000	34,940,000	432,200	119,350	293
Department of Agriculture and Food	William Spry Agriculture Building Replacement	4		32,213,800		32,213,800	(39,000)	67,900	474
Uintah Basin Applied Technology College	Welding Technology Building	5		4,475,100		4,475,100	97,300	12,500	358
Utah School for the Deaf and the Blind	USDB Springville School	6		10,500,000		10,500,000	40,000	42,000	250
Utah State University	Biological and Natural Resources Renovation	7	4	22,000,000	3,000,000	25,000,000	182,400	60,000	417
Utah Army National Guard	New Nephi Army Utility Extension and State Share 75 / 25 Split	8		8,400,000	12,000,000	20,400,000		59,612	342
Utah Valley University	New Business Building	9	5	69,000,000	1,000,000	70,000,000	1,467,000	180,000	389
Mountainland Applied Technology College	Thanksgiving Point Campus Technology Trades Building	10		23,964,500		23,964,500	622,400	80,000	300
Bridgerland Applied Technology College	Health Science and Technology Building	11		29,888,400		29,888,400	711,900	91,500	327
Salt Lake Community College	Herriman Campus General Education Building	12	6	47,200,000		47,200,000	848,200	80,000	590
Department of Justice / Division of Juvenile Justice Services	Salt Lake Multi-Use Youth Center	13		32,134,200	1,406,600	33,540,800		84,100	399
State Courts	Sixth District Courthouse Sanpete County Manti	14		16,580,800		16,580,800	100,000	29,500	562
Davis Applied Technology College	Allied Health Building	15		31,112,700	130,000	31,242,700	661,300	85,000	368
Department of Natural Resources-Parks	Willard Bay State Park North Day Use Development	16		5,000,000		5,000,000	50,000	26 Acres	192,308 per acre

### Land Banking

The State Building Board prioritized two land banking requests:

1. Snow College, Ephraim: \$550,000 for three properties contiguous to college property that total 50,034 sq. ft.; property would be used for student housing to accommodate enrollment growth
2. Attorney General, Salt Lake City: \$4-5 million for 1.54 acres at 500 S Main; land would be used for a building to consolidate 13 locations of the AG's Office and the Office of Recovery Services (ORS)

***Other-funded projects***

The State Building Board recommended four projects that would be financed with non-state funds. Two of the projects, liquor stores for the Riverton-Herriman and Farmington areas, each include O&M funding requests for \$78,800 that should be considered for prioritization by the Infrastructure and General Government Appropriations Subcommittee.

- Riverton-Herriman Market Area Liquor Store: \$5,451,800 with \$78,800 increased O&M funding for 13,600 sq. ft.
- Farmington Market Area Liquor Store: \$5,451,800 with \$78,800 increased O&M funding for 13,600 sq. ft.
- Dixie State University, Legend Solar Stadium: \$8,607,400 for a 5,000 seat aluminum bleacher system and a 15,330 sq. ft. masonry block structure to house four locker rooms, two public restrooms, ticketing, and concessions
- University of Utah, Guest House Expansion: \$8,250,000 for 30 to 35 additional rooms which will be designed for long term stays and a seminar room for trainings and meetings